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21 January 1954

MEMORANDUM FOR: Chiefs of All Area and Functional Divisions  
and Technical Services Staff

SUBJECT : Life Insurance and Related Benefits

*Handwritten:*  
JNL  
AS  
Baker

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1. For the past several months an "Insurance Task Force" headed by Mr. [ ] Special Assistant to the DD/P, has been studying intensively the over-all insurance problems of the Agency with particular emphasis on the security problems inherent in the granting of insurance and related benefits to covert personnel in all categories. While the results of the investigation and study are not yet completed, an interim procedure has been developed with reference to the implications of granting insurance and related benefits to staff employees/staff agents, contract employees, and career agents under non-official cover only. Contract agents are the subject of continuing study and are specifically not covered by this memorandum. The benefits involved in this interim procedure are as follows:

- a. War Agencies Employees Protective Association (WAEPA)
- b. Civil Service Retirement Act
- c. Federal Employees Compensation Act (FECA)
- d. Missing Persons Act

2. All of the above benefits involve Government attribution in the event of death. In the case of the agent categories described in paragraph 1 above (staff agent and career agent) and when non-official cover is involved, it is essential that the operational and cover security hazards which result in the event of death, in paying designated beneficiaries with possible residual claims, be anticipated before the individual is authorized these benefits. Heretofore, it has been the practice to grant the benefits of WAEPA arbitrarily without proper consideration of security factors. The benefits under Civil Service Retirement Act, Federal Employees Compensation Act, and Missing Persons Act are rights which cannot be denied an employee. The four categories first named in (1) above are all employees. Recently representatives of the Clandestine Services, the Security Office and the Office of the General Counsel met with the "Insurance Task Force" to devise an interim procedure to insure that prior consideration is given to this aspect of agent processing.

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3. As an interim measure and in the interest of operational and cover security, it will be the responsibility, mutually, of FI/Plans/Cover Division and the operating unit concerned (i.e., area or functional division, TSS) to determine whether any staff employee/staff agent, contract employee, and career agent under non-official cover can be authorized WAEPA. Prior to the time any contractual commitments are made, it will be the responsibility of the FI/Plans/Cover Division and the operating unit to review and to assess such factors as the sensitivity of the cover facility involved and the operational security implications which will accrue as a result of Government attribution in the event of death. If WAEPA is authorized, it will be the responsibility of the Cover Division and the operating unit to formulate tentatively a cover plan which will enable the Agency to deny plausibly the factor of Government attribution. Also of course, the selection of an employee (with the rights named above) for a given mission under non-official cover is a basic consideration to be handled in the same way.

4. Ultimately when the "Insurance Task Force" has completed its investigation and its recommendations as to future action, an Agency Regulation on this subject will be published. The purpose of this memorandum is to emphasize the over-all importance of this problem and to establish an interim procedure which will guard against future "flaps" which have developed as a result of general disregard of these factors in the past.



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Foreign Intelligence

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